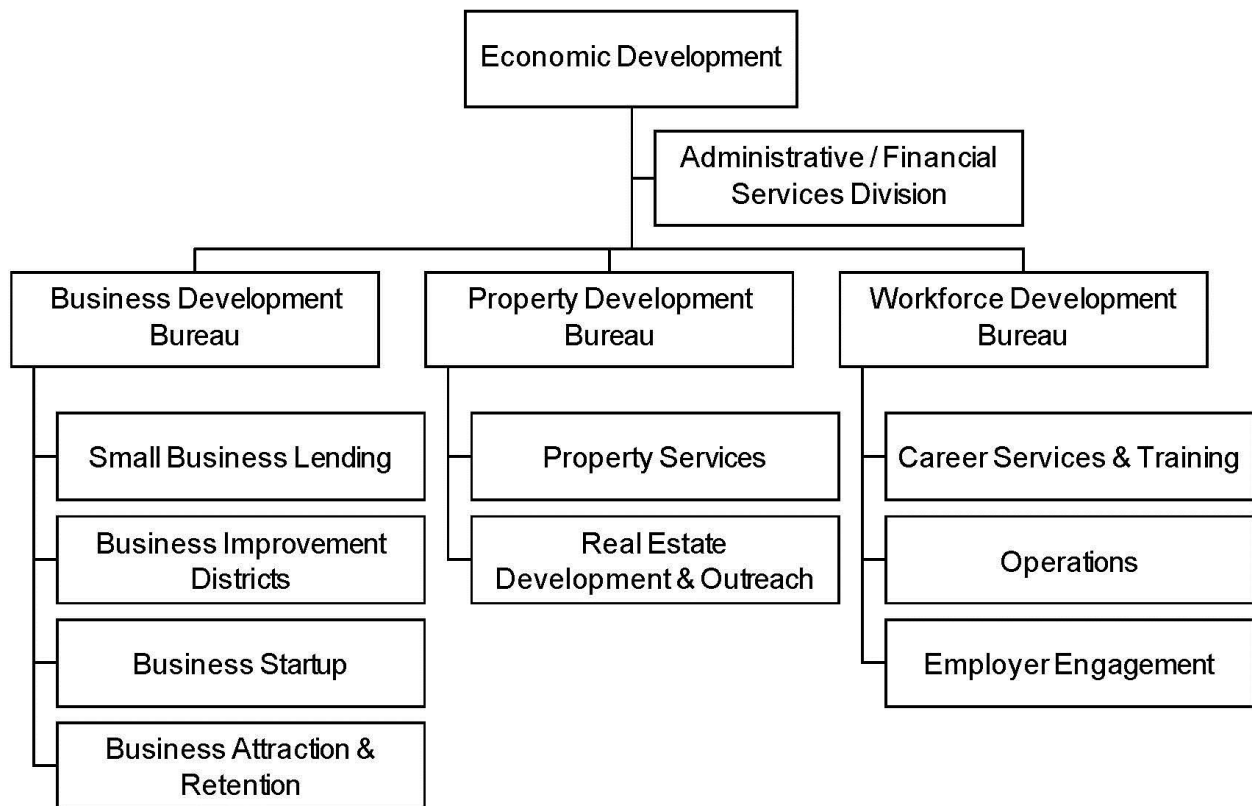


# Economic Development



John Keisler, Director

Sergio Ramirez, Deputy Director

Nicholas Schultz, Workforce Development Director

Erick Serrato, Workforce Development Deputy Director

Johnny Vallejo, Property Services Officer

Seyed Jalali, Business Development Officer

Vaniah De Rojas, Administrative/Financial Services Officer

# Department Overview

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**Mission:**

The mission of the Economic Development Department is to create economic opportunities for workers, investors, and entrepreneurs in the City of Long Beach.

**Core Services:**

- Grow and strengthen established industry clusters and emerging sectors in Long Beach.
- Increase access to economic opportunities in low-income communities to advance economic equity.
- Ensure workforce preparedness and business competitiveness through an alignment of economic development, training, education, and community partner efforts.
- Build a supportive economic ecosystem that creates reliable pathways for entrepreneurs to confidently start and grow successful businesses.
- Create more responsive, cost-effective, and streamlined City processes to grow investment and development in the City.
- Enhance quality of life to grow businesses, jobs, and investment that support a thriving local economy.
- Advance an integrated approach to local and regional economic development to enhance business opportunities and global connectedness.
- Manage, negotiate and implement complex real estate transactions, leases and extensions.

**FY 19 Focus:**

In FY 19, the Economic Development Department (Department) reorganized into three bureaus for Workforce Development, Property Development and Business Development, and four divisions to reflect its core services and internal support operations. The Department will continue implementing the recommendations of the 10-year Blueprint for Economic Development (Blueprint). This comprehensive plan provides policy recommendations to advance Long Beach as “the City of opportunity for workers, investors, and entrepreneurs.” Specifically, the Blueprint will facilitate in establishing Long Beach as a place where workers can find more fulfilling, higher-wage job opportunities, market Long Beach as a “can do” climate where investors aggressively compete for the distinction to advance economic opportunities for business and community, and further Long Beach as an innovative ecosystem that lays a foundation for entrepreneurial success from business start-up to growth. The Department will continue to strengthen its partnership with the Economic Development Commission, local education institutions, business associations, and other community partners on implementation, thus continuing the strong momentum from FY 18.

Key focus areas of the Blueprint include the following:

1. Engines of Growth
2. Economic Inclusion
3. Jobs and Workforce Development
4. Business Assistance
5. Development Environment
6. Quality of Life
7. Economic Leadership and Cooperation

## Department Performance Measures

Key Measure	FY 17 Actual	FY 18 Target	FY 18 Estimate	FY 19 Projection
Number of new Long Beach based small businesses <i>(10 or fewer employees)</i>	970	980	975	980

This measures the number of new small businesses (10 or fewer employees) locating in the city or adding a new location. Figures exclude home-based businesses and commercial/residential rental property licenses. In FY 15, Council approved a small business incentive pilot program. Staff will continue to monitor its success.

Key Measure	FY 17 Actual	FY 18 Target	FY 18 Estimate	FY 19 Projection
Number of Successor Agency properties disposed	5	94	54	81

This measures the amount of former Redevelopment Agency Properties (Successor Agency properties) that were initially retained under the Long Range Property Management Plan under the category of “for sale”. The initial goal was to sell the 57 parcels designated “for sale” while actively seeking buyers for an additional 136 parcels categorized as “Future Development”. These properties were transferred to the City for disposition, with the goal to leverage City-owned property for economic development. In FY 19, only 1 “Future Development” parcel remains for sale. Once sold, the City will have completed the disposition of Successor Agency properties and begin a new era of property development.

Key Measure	FY 17 Actual	FY 18 Target	FY 18 Estimate	FY 19 Projection
Number of Long Beach residents who are placed in employment	2,280	3,500	2,500	3,500

This measures the number of residents that are served through employment programs administered by Pacific Gateway. This includes career services through the Career Transition Center, Youth Opportunity Center, and contracted service providers. Service and enrollment levels have been trending down after years of increase during the economic recession, as expected. The launch of the online service system is expected to show an enrollment increase. The online system will allow residents to access services online (without having to come in to a job center). This will add new customers to the system, while overall walk-in customers are expected to decline to pre-recession levels, in-line with State and National trends. While the number of customers seeking services in-person decline, the depth of service intensifies. As the local economy regains strength, the system will focus on harder-to-serve clients with acute barriers to employment.

## FY 18 Accomplishments

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- Selected as finalist for “Most Business Friendly Large City in Los Angeles County” by the Los Angeles Economic Development Corporation.
- Received a \$300,000 CommunityWINS® Grant that will assist in creating a Citywide Market for Hourly Labor program.
- Negotiated ground lease extension for Catalina Landing, resulting in additional \$2.15 million in revenue to the City, in the Tidelands area.
- In partnership with SMG, the City’s operator for the Long Beach Convention and Entertainment Center, implemented the new Terrace Plaza Fountain light and water show.
- Closed sales of 61 former redevelopment agency and City-owned properties, valued at over \$8,300,000.
- Launched the LIMITLESS Campaign to proactively reach developers and elevate Long Beach’s profile as a city “open for business” both regionally and nationally.
- Initiated the Economic Development Commission Champion Initiative to promote and further the recommendations outlined in the 10-year Economic Development Blueprint.
- Partnered with California State University, Long Beach (CSULB) on their annual Regional Economic Forum.
- Developed a Business Corridor Improvement Pilot Program that was available to any individual property owner, group, or association of property owners located within the identified project areas.
- Launched the mySidewalk Economic Insights Dashboard (Dashboard), an interactive resource for understanding the key metrics related to driving economic opportunity in Long Beach.
- Coordinated the “Everyone In” Economic Inclusion Initiative, which included the Equity Profile, Listening Tour, and Equity Summit plans.
- Implemented various youth banking and financial literacy efforts through a partnership with Lemando, a social enterprise providing affordable financial services to underbanked individuals, and the creation of an on-line platform highlighting key financial literacy tools and resources.
- Partnered with the Los Angeles Local Initiatives Support Corporation (LA LISC) to launch the Kiva Program. LA LISC offers a dollar-for-dollar match for each Long Beach borrower that has a City-approved Kiva Trustee.
- Invested in What Works Cities’ data management and performance analytics infrastructure to ease pain points in the business startup process.
- Launched the Start It Up Pilot Program with an inaugural cohort of local business owners and entrepreneurs. Start It Up is a mobile and in-person mentoring program that gives business owners and entrepreneurs the tools they need to succeed.
- Began construction on the Shaun Lumachi Innovation Center. The center will create a new downtown learning and working center for business workers and entrepreneurs.

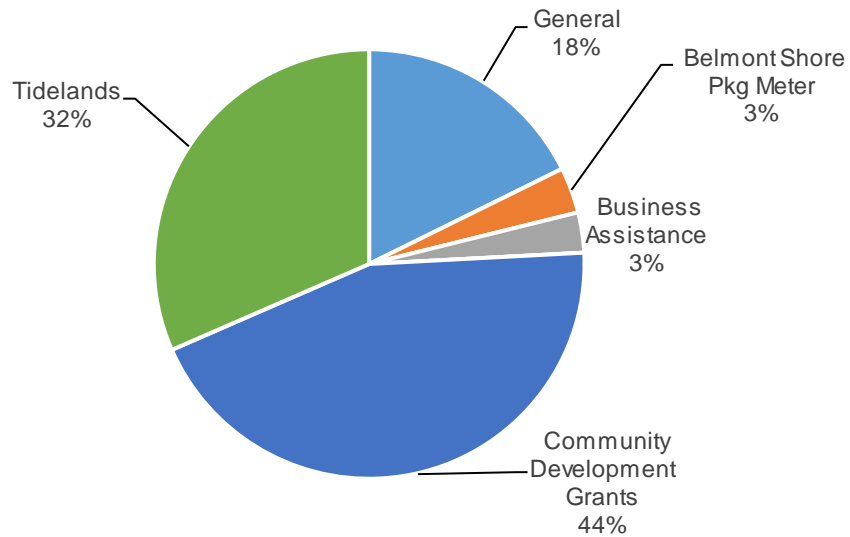
## **FY 18 Accomplishments**

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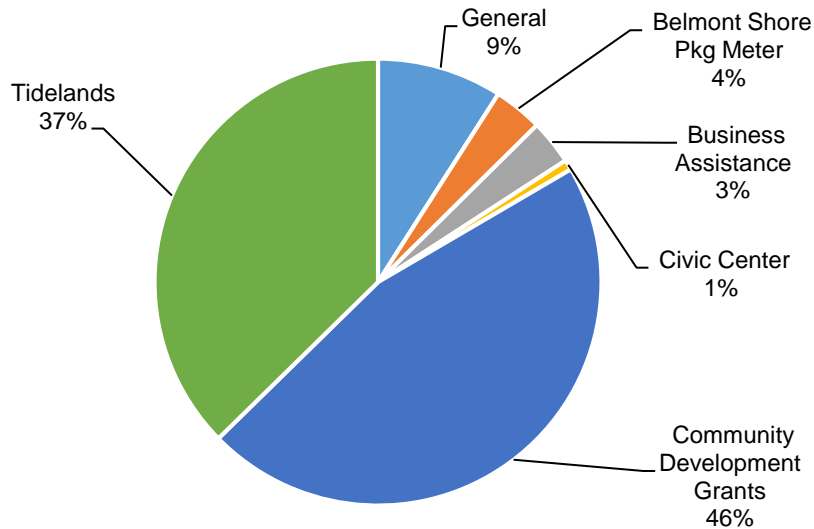
- Provided more than 4,600 adults and youth with career services and job training, across four workforce centers.
- Hosted over 13,000 sessions and 9,062 new users in BizPort over the past year.
- Provided eleven small business loans for a total of \$905,000.
- Opened a new flagship career center as a national model, and introduced new partnerships and services to Long Beach residents.
- Launched a new innovative online portal at Pacific Gateway to assist with job search and placement.
- Began implementing recommendations identified in the City Auditor's Business Improvement District Oversight Audit in partnership with the Council of Business Associations.
- Participated in planning sessions with community based organizations and CSULB with regards to creating a local Economic Profile of the Latino Community.
- Continued the Long Beach Transit Employee Bus Pass Program to provide Belmont Shore employees with sponsored boarding on all Long Beach Transit buses between September 2017 and August 2018.
- Continued providing sidewalk steam cleaning, litter abatement, and tree watering services in the Belmont Shore Business District to keep the District clean, vibrant, and safe.

## FY 19 Budget

### FY 19 Revenues by Fund



### FY 19 Expenditures by Fund



### Fund Impact

Fund	Revenues	Expenditures	Fund Impact
General	3,960,600	1,949,889	2,010,711
Belmont Shore Pkg Meter	771,512	761,324	10,188
Business Assistance	677,838	699,195	(21,357)
Civic Center	-	158,146	(158,146)
Community Development Grants	9,919,414	9,919,414	(0)
Tideland	7,065,000	8,037,029	(972,029)
<b>Total</b>	<b>22,394,364</b>	<b>21,524,996</b>	<b>869,367</b>

## Summary of Changes\*

<b>General Fund</b>	<b>Impact</b>	<b>Positions</b>
Create a new Administrative & Financial Services Division to consolidate financial services, human resources, communications, and research work, to better support the department in accomplishing its mission.	-	-
Implement various organizational, staffing and materials budget changes to reflect actual operations within Economic Development department.	(55,929)	(1.20)

<b>Civic Center Fund</b>	<b>Impact</b>	<b>Positions</b>
Increase budget to reflect actual allocation of staff costs and time.	22,345	0.10

<b>Community Development Grants Fund</b>	<b>Impact</b>	<b>Positions</b>
Transfer 2.31 Administrative Intern positions from the Economic Development Department to City Manager's Office as part of the consolidation of the Office of Sustainability positions and budget under the City Manager's Office.	(123,769)	(2.31)
Upgrade a Clerk Typist II to a Clerk Typist III and increase budget to reflect actual allocation of staff costs and time.	41,727	0.20

<b>Marina Fund</b>	<b>Impact</b>	<b>Positions</b>
Reduce budget to reflect actual allocation of staff costs and time.	(17,807)	(0.15)

<b>Rainbow Harbor Area Fund</b>	<b>Impact</b>	<b>Positions</b>
Increase budget to reflect staff time spent on specific projects.	45,430	0.25

<b>Tidelands Operations Fund</b>	<b>Impact</b>	<b>Positions</b>
Implement various organizational, staffing and materials budget reallocations to assist with operational and budget management.	65,880	0.80

\* For ease of review, reallocations of resources within departments, offsets, adjustments, and minor changes have not been included. As figures reflect the net impact to a fund, an increase in expense is shown as a positive number (cost/hit to fund) and a decrease in expense is shown as a negative number (savings/benefit to fund). Accordingly, a decrease in revenue is shown as a positive number (cost/hit to fund), and an increase in revenue is shown as a negative number (savings/benefit to fund).

## Executive Office & Administrative/Financial Services Division

### Key Services:

#### 1. Executive Office

- Patron Issue Management
- City Council Relations /Communications
- Community Relations / Outreach Education
- Strategic Initiatives
- Departmental Management

#### 2. Financial Administration

- Budget Development and Management
- Grants Management
- Contract / RFPs Management
- Accounting
- Purchasing
- Records Request and Management

#### 3. Personnel

- Payroll
- Benefits Education and Management
- Employee Assistance
- Personnel Management and Issue Resolution
- Risk Management and Safety Training

#### 4. Communications

- Department Media Relations
- Public Outreach, Social Media and Events
- Publications

#### 5. Office of Economic Research

- Economic Studies and Analysis

**FY 19 Funding Source:** General Fund 15%, Civic Fund 25%, Community Development Grants Fund 28%, Tidelands Operations Fund 32%

<b>Executive Office &amp; Administrative/Financial Services**</b>	<b>Actuals FY 17</b>	<b>Adjusted* FY 18</b>	<b>Proposed* FY 19</b>
Revenues	-	-	-
Expenditures	-	-	636,768.38
FTEs	-	-	7.00

\*Amounts exclude all-years carryover.

\*\* Prior to FY 19, the budget for the Executive Office and Administrative Financial/ Services functions were reflected in the Business Development Bureau.

### Narrative:

The Executive Office is responsible for overall management of the Economic Development Department. Key services of the Executive Office include financial services, personnel management, public affairs, and executive management of the Department.

The overarching goal of the Executive Office is to ensure the Department is aligned with the policy direction of the Mayor, City Council, and City management. Specific responsibilities include facilitating the development of the City's 10-Year Blueprint for Economic Development; forming strategic partnerships with community partners; managing the performance of Department operations to align with the Department strategic plan; staffing the Economic Development Commission and Economic Development & Finance Committee of the City Council, and providing regular updates to policy makers and the community regarding key economic indicators for the City of Long Beach;

In FY 19, the Executive Office will focus implementing recommendations from the Blueprint for Economic Development; and, ensure that necessary resources are in place to execute the work. This includes the marketing and promotion of Blueprint goals and objectives, the hiring of new positions, the execution of strategic partnerships to expand service delivery, and the development of funding sources to grow and sustain new programs.



# Business Development Bureau

## Key Services:

### 1. Small Business Lending

- Revolving Loans
- Launch Grants &
- Façade Improvement Program

### 2. Business Improvement Districts

- Administration & Oversight
- Establishment/Renewal

### 3. Business Retention

- Incentive Programs
- Relocation

### 4. Economic Research

- Blueprint Implementation
- Research
- Tracking & Reporting

### 5. Business Startup

- Attraction
- Site Selection
- Licensing & Permitting

**FY 19 Funding Source:** General Fund 24%, Belmont Short Parking Meter Fund 39%, Business Assistance Fund 36%, Tidelands Operations Fund 1%

<b>Business Development</b>	<b>Actuals FY 17</b>	<b>Adjusted* FY 18</b>	<b>Proposed* FY 19</b>
Revenues	20,533,232	1,533,897	1,449,350
Expenditures	18,576,443	3,889,973	1,934,057
FTEs	17.00	10.00	3.00

\*Amounts exclude all-years carryover.

## Narrative:

The Business Development Bureau (Bureau) is responsible for growing the number and size of businesses in the City of Long Beach, with a particular focus on economic inclusion and under-represented entrepreneurs. As described in the Blueprint, the goal of the Bureau is to build a supportive economic ecosystem that creates reliable pathways for entrepreneurs to confidently start and grow successful businesses. Key objectives of the Bureau to advance this goal in FY 19 are to invest in strategies that:

- Improve the business startup process;
- Increase access to capital;
- Strengthen and revitalize business corridors;
- Prioritize economic inclusion;
- Strengthen the local entrepreneurial support system;
- Increase business exports and foreign direct investment;
- Make market and community data more readily available; and
- Promote Long Beach as a destination for startups and business expansion.

In FY 18, the Bureau launched a number of new business assistance programs and partnerships including BizMap, Business Corridor Improvement Pilot Program, CSULB Institute for Innovation & Entrepreneurship Fellowship, StartUpToolkit, What Works Cities, Everyone In Economic Inclusion Initiative, and Kiva program. The Bureau also began implementing recommendations identified in the Business Improvement District Audit. In FY 19, the Bureau will continue implementing the recommendations from the Blueprint and to strengthen its partnership with the Economic Development Commission, local education institutions, business associations, and other community partners on implementation. Additionally, as part of a department reorganization the administrative and financial functions and FTEs, previously in this Bureau have been pulled out into a new division.

# Property Development Bureau

## Key Services:

### 1. Property Services

- Proactive Property Maintenance
- Contract Administration
- Lease Negotiation
- Asset Management
- Long Range Property Management

### 2. Real Estate Development

- Appraisals
- Acquisitions & Sales
- Real Estate Transactions
- Opportunity Site Identification
- Development Services

**FY 19 Funding Source:** General Fund 13%, Tidelands Operations Fund 55%, Tidelands Area Funds 32%

Property Development	Actuals FY 17	Adjusted* FY 18	Proposed* FY 19
Revenues	495,236	11,349,662	11,025,600
Expenditures	-	6,740,685	8,964,155
FTEs	-	9.00	9.00

\*Amounts exclude all-years carryover.

## Narrative:

The Property Development Bureau (Bureau) is responsible for managing City property, and increasing the amount of real estate investment in the City. As described in the Blueprint, the goal of the Bureau is to create more responsive, cost effective, and streamlined City processes to grow investment and development in the City. Key objectives of the Bureau to advance this goal in FY 19 are to invest in strategies that:

- Reduce the cost of development;
- Reduce the median days to approve entitlements for property development;
- Reduce the commercial, office, retail, and residential vacancy rates; and
- Increase citywide real estate investment.

In FY 18, the Bureau closed sales of 61 former redevelopment agency and City-owned properties, which has contributed to the private real estate investment in the City. In FY 19, the Bureau will continue to expand oversight of the approved 66-year lease between the City and Urban Commons for the operation, maintenance, and development of Queen Mary Island, and proactively manage and maintain City-owned properties. The Bureau also intends to expand use of the contract management system to highlight “opportunity sites” for real estate development, and better manage City-owned real estate assets.

# Workforce Development Bureau

## Key Services:

### 1. Workforce Development

- Job Search Assistance
- Individualized assessments
- Connection to Training
- Career Counseling
- Skill Development scholarship to Occupational Training

### 2. Communications

- Outreach
- Marketing & Promotion
- Public Affairs
- Workforce Investment Board

### 3. Business Assistance

- Recruitment and Hiring
- Youth Hiring and Internships
- Lay-Off Aversion
- Customized Training

### 4. Workforce Operations

- Contracts and Procurement
- Accounting Functions
- Budgeting
- Administration
- Grant Monitoring

**FY 19 Funding Sources:** General Fund 2%, Community Development Grants Fund 98%

<b>Workforce Development</b>	<b>Actuals FY 17</b>	<b>Adjusted* FY 18</b>	<b>Proposed* FY 19</b>
Revenues	11,533,369	11,338,506	9,919,414
Expenditures	11,558,318	11,530,012	9,990,016
FTEs	70.27	70.27	67.96

\*Amounts exclude all-years carryover.

## Narrative:

The Workforce Development Bureau (Bureau) is responsible for providing economic opportunities for workers and providing a skilled workforce for employers in the City of Long Beach. As described in the Blueprint, the goal of the Bureau is to ensure the preparedness of the workforce and competitiveness of business through alignment of economic development, training, education, and community partnerships. In FY 19 the Bureau will invest in strategies that:

- Increase year over year per capita income in the City;
- Increase the number of middle and high-skill jobs in the City; and
- Increase the number of Long Beach residents who reengage with the education and training system.

In FY 18, the Bureau provided more than 4,600 adults and youth with career services and job training, across four workforce centers. A main focus of this work was the development of integrated service strategies, bringing the work closer to communities of need. This included new partnerships with GED programs for out-of-school youth, service plans for Carmelitos residents, strategies for residents experiencing homelessness, systems integration with adult schools and English-language programs, and the design of new career centers. The new flagship career center opened as a national model, and introduced new partnerships and services to Long Beach residents. Other projects focused on the development of software and wrap-around services for workers in the gig economy, and design of the Long Beach College Promise Fellowship program, in partnership with higher education and the Mayor's Office. The Bureau also partnered with Lemando, a social enterprise, to offer free mobile banking and financial tools to participants as a method to increase financial literacy. In FY 19, the Bureau will continue to strengthen service connections and create economic opportunities for workers and employers in the region. In FY 19 the Office of Sustainability was relocated into the City Manager department reducing 2.31 FTEs from the Workforce Development Bureau.

## Financial Summary by Category

	Actual	Adopted*	Adjusted*	Proposed*
	FY 17	FY 18	FY 18	FY 19
<b>Revenues:</b>				
Property Taxes	-	-	-	-
Other Taxes	9,165,076	-	-	-
Franchise Fees	-	-	-	-
Licenses and Permits	13,525	12,000	12,000	12,000
Fines and Forfeitures	-	-	-	-
Use of Money & Property	11,081,791	11,405,000	11,405,000	11,369,112
Revenue from Other Agencies	11,014,262	9,826,835	11,122,239	9,703,147
Charges for Services	-	-	-	-
Other Revenues	572,114	1,053,772	1,053,772	1,088,105
Interfund Services - Charges	-	6,000	6,000	6,000
Intrafund Services - General Fund Charges	-	-	-	-
Harbor & Water P/R Rev Trsfs	-	-	-	-
Other Financing Sources	-	-	315,995	-
Operating Transfers	715,070	216,000	307,059	216,000
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Total Revenues	32,561,837	22,519,607	24,222,064	22,394,364
<b>Expenditures:</b>				
Salaries, Wages and Benefits	6,725,212	10,388,754	11,066,725	10,404,500
Overtime	18,842	-	134	-
Materials, Supplies and Services	21,511,870	9,213,024	10,263,624	8,309,485
Internal Support	643,285	(225,962)	(150,923)	89,528
Capital Purchases	-	-	-	-
Debt Service	220,181	253,777	981,110	2,721,483
Transfers to Other Funds	1,015,372	-	-	-
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Total Expenditures	30,134,761	19,629,593	22,160,670	21,524,996
<b>Personnel (Full-time Equivalents)</b>	87.27	89.27	89.27	86.96

\* Amounts exclude all-years carryover. See budget ordinance in the back of this document.

## Personnel Summary

Classification	FY 17 Adopt FTE	FY 18 Adopt FTE	FY 19 Prop FTE	FY 17 Adopted Budget	FY 19 Proposed Budget
Director-Economic Development	1.00	1.00	1.00	208,080	212,331
Accountant III	1.00	1.00	1.00	69,887	71,285
Accounting Clerk II	1.00	1.00	1.00	40,092	40,894
Accounting Clerk III	1.00	1.00	1.00	43,154	44,017
Administrative Analyst II	-	-	1.00	-	89,359
Administrative Analyst III	3.00	3.00	2.00	283,838	193,010
Administrative Analyst II-NC	2.00	2.00	2.00	142,050	144,899
Administrative Analyst I-NC	1.00	1.00	1.00	67,888	69,250
Administrative Intern	8.76	8.76	6.45	331,674	251,627
Administrative Officer	1.00	1.00	1.00	118,606	120,978
Assistant Administrative Analyst I	-	-	1.00	-	52,722
Assistant Administrative Analyst II	-	2.00	2.00	120,092	122,249
Assistant Director-Workforce	1.00	1.00	1.00	114,444	116,773
Community Program Specialist I	4.00	4.00	4.00	240,464	235,150
Community Program Specialist II	2.00	2.00	2.00	126,712	122,518
Community Program Specialist III	16.51	16.51	16.51	1,289,628	1,303,799
Community Program Specialist IV	3.00	3.00	3.00	242,917	235,679
Community Program Specialist V	7.00	7.00	7.00	622,930	669,853
Community Program Technician I	1.00	1.00	1.00	49,304	50,290
Community Program Technician II	1.00	1.00	1.00	48,001	54,067
Community Program Technician III	1.00	1.00	1.00	57,122	58,264
Community Program Technician IV	2.00	2.00	2.00	121,732	124,172
Clerk Typist II	1.00	1.00	-	46,545	-
Clerk Typist III	5.00	5.00	6.00	235,540	299,650
Community Information Specialist II	1.00	1.00	1.00	44,150	45,025
Deputy Director of Economic Development	1.00	1.00	1.00	158,727	173,047
Development Project Manager II	1.00	1.00	1.00	87,607	89,359
Development Project Manager III	3.00	3.00	3.00	281,448	282,123
Exec Director-Reg Wrkfr Invest Brd	1.00	1.00	1.00	154,793	168,941
Executive Assistant	1.00	1.00	1.00	68,101	69,463
Payroll Personnel Assistant II	1.00	1.00	1.00	50,535	51,546
Real Estate Officer	1.00	1.00	1.00	139,059	141,840
Real Estate Project Coordinator II	1.00	1.00	-	83,285	-
Real Estate Project Coordinator III	3.00	3.00	3.00	322,236	313,332
Real Estate Technician II	1.00	1.00	1.00	61,601	62,833
Redevelopment Project Officer	1.00	1.00	1.00	122,558	125,008
Secretary	2.00	2.00	2.00	93,512	97,805
Senior Accountant	1.00	1.00	1.00	94,613	96,505
Special Project Officer	1.00	1.00	1.00	104,073	106,155
Workforce Development Officer	3.00	3.00	3.00	314,861	321,158
<b>Subtotal Salaries</b>	<b>87.27</b>	<b>89.27</b>	<b>86.96</b>	<b>6,801,859</b>	<b>6,826,974</b>
<b>Overtime</b>	-	-	-	-	-
<b>Fringe Benefits</b>	-	-	-	3,484,957	3,520,872
<b>Administrative Overhead</b>	-	-	-	139,839	136,400
<b>Attrition/Salary Savings</b>	-	-	-	-	(36,857)
<b>Expenditure Transfers</b>	-	-	-	(37,901)	(42,890)
<b>Total</b>	<b>87.27</b>	<b>89.27</b>	<b>86.96</b>	<b>10,388,754</b>	<b>10,404,500</b>

